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4th QUARTER AND ANNUAL REPORT - FISCAL YEAR 2012

ALBANIAN AGRICULTURE COMPETITIVENESS PROGRAM



October 2012

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4th QUARTER AND ANNUAL REPORT FISCAL YEAR 2012

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Acronyms

AAC	Albanian Agriculture Competitiveness
ADAD	Association for the Agricultural Development of the Dibra District
ADAMA	Albanian Dairy and Meat Processor Association
ALL	Albanian Lek
AOA	Albanian Olive Oil Association
AUT	Agriculture University of Tirana
BAP	Best Agricultural Practices
COR	Contracting Officer Representative
DAI	Development Alternatives Inc.
EPCA	Essence Processors Cultivators Association
FERT	Formation pour l'Epanouissement et le Renouveau de la Terre
FY	Fiscal Year
GHP	Good Handling Practices
GI	Geographical Indication
GMP	Good Manufacturing Practices
IADK	Initiative for Agriculture Development of Kosovo
IPM	Integrated Pest Management
IOC	International Olive Council
KASH	Këshilli i Agrobiznesit Shqiptar (Albanian Agribusiness Council)
MADA	Mountainous Areas Development Agency
MAPs	Medicinal Aromatic Plants
MOAFCP	Ministry of Agriculture, Food, and Consumer Protection
MoTCAYS	Ministry of Tourism, Cultural Affairs, Youth and Sports
MOU	Memorandum of Understanding
ppm	Parts per million
NOA	New Opportunity Albania
Q1	First Quarter of a given fiscal year
Q2	Second Quarter of a given fiscal year
Q3	Third Quarter of a given fiscal year
Q4	Fourth Quarter of a given fiscal year
RAD	Regional Agricultural Directorates
RH	Relative Humidity
RPO	Rural Producer Organization
SHD	Super High Density (Olives)
SNV	The Netherlands Development Organization
SOP	Standard Operating Procedures
STTA	Short-term Technical Assistance
SASA	Sustainable Agriculture Support in Albania
TTC	Technology Transfer Centers
USAID	United States Agency for International Development

Presentation

Development Alternatives, Inc. is pleased to present the fiscal year 2012 fourth quarter and annual report of the Albanian Agriculture Competitiveness Program, implemented on behalf the United States Agency for International Development under Task Order No. EDH-I-00-05-0004-00/08. This report contains the most relevant achievements of fiscal year 2012, in which the program continued and strengthened its role as the strategic partner of Albanian agribusinesses.

Fiscal Year 2012 Summary Highlights

During the fiscal year 2012, the AAC program's regional offices in Lushnja, Korça, Shkodra and Saranda continued to provide technical assistance to farmers and growers groups for the targeted commodities such as: apples, citrus and olives, open field crops, greenhouse vegetables, watermelon and herbs and spices. Demonstrations plots were continued in Korça for onions and potatoes: the purpose of the onion trials was to make clearer the lesser known aspects of onion production to increase yield and quality, reduce production costs, and therefore improve competitiveness. The activity was followed by the Onion Field day organized at the AAC program's demonstration plot in Menkulas attended by 147 growers and other interested persons including 34 women. From the other part, the objective of the potato trial was to evaluate 4 potato varieties for the effect of seed size and fertilization on yield, time of emergence, stem and tuber set per plant, and stand establishment.

During the fiscal year 2012, the AAC program in Lushnje implemented bumble bee pollination trials in 6 greenhouses, located in Lushnje and Berat areas, with the intention to promote good agriculture practice of pollination with bumble bee versus the fruit setting with hormones. The results of the trial have proved to be very positive with regard to fruit quality and yield. To introduce more greenhouse growers to this technology, a round table with a large participation of farmers from the Lushnje area was organized. More over, the AAC program has replicated the watermelon variety trial in Imsht, at the plot of farmer Zenel Balla with the intention of testing the best variety structures suitable for this new watermelon growing area.

Continuing the past years efforts in market development for Albanian farmers and exporters

372 women (46% of the total accumulated value of 813 women in 5 years of activity) were assisted with MIS, agricultural productivity and enabling environment training, receiving credit and having access to new technologies.

4 grants totaling \$48,000 were awarded out of the total amount of 140 grants (\$380,000) since program's inception.

83 agriculture-related firms benefited directly from the program's assistance reaching the cumulative value of 197.

59 new markets were identified reaching to 306 since the beginning of the program.

during the fiscal year 2012, the AAC program successfully facilitated transactions worth \$6,880,900 for 12,870 tons of fresh fruits and vegetables, processed food, MAPs, herbs and essence oils. These exports consisted 64% of the total. The exports facilitated by the program in its 5 years of activity reached the value of \$29,248,000. Clients working with the project exported to European markets such as: Sweden, Macedonia, Russia, Switzerland, Norway, Germany, France, Romania, Czech Republic, Hungary and USA. The most exported crops of the year were tomatoes (4,522 tons), cabbages and baby cabbages (136 tons), watermelons (2,235 tons), processed food of Sejega Ltd (381 tons), MAPs and essence oils (101 tons).

The program supported consolidators-exporters, fresh fruit and vegetables producers and processors, and olive oil processors to participate in important worldwide fairs where the Albanian stand was represented under “The Taste of Albania” brand. During the past year the program created several personalized brochures and promotional materials for the Albanian processors and consolidators, which find their use for other marketing activities as well.

During the Project Year 5, the AAC program has awarded four new grants totaling \$48,000:

- A \$20,000 in-kind grant to Muharrem Xhebexhiu’s family business to support the establishment and upgrading of a collection point: a new fresh fruit and vegetable collection center in Hysgjokaj village, Fier region.
- A \$6,000 grant to the fresh fruit and vegetable processor SEJEGA Shpk., to support the purchase of the modern equipment for its Quality Control Laboratory. Lack of laboratory capabilities were impeding the processor’s ability to ensure consistency of the product quality, and in some cases quality of the raw materials, to provide correct nutritional and other information for labeling. More rigorous product quality control also serves as a means of consumer protection.
- An \$11,000 grant to the medicinal and aromatic plant processor ZAGORA Shpk. in Koplik, Shkodra region. The grant funds were used to aid the grantee in purchasing and installing a modern pressing machine for MAPs.

1,964 farmers, 144 of them women received short term agricultural productivity training through 111 training sessions, field demonstrations and other events during the fiscal year 2012, totaling 4,920 participants for the 5 fiscal years.

307 hectares were brought under improved production technologies; reaching the cumulative value of 1173.5 hectares.

275 farmers (54 women) were trained to use the MIS platforms, reaching the total number of 916.

101 (4 women) producers were assisted to receive \$502,550 credit; total assisted producers since 2008 being 381.

6 new post harvest facilities were established or expanded; through USAID’s assistance there are 25 additional facilities in the country.

- And another \$11,000 grant was issued to the Citrus Producer Association in Xarra, Saranda during the last quarter for farm to market road improvement.

During June-July 2012, the AAC program assisted the selected evaluation team (Bechir Rassas, Team Leader, Ilir Rembeci and Evan Rroco, Agricultural Specialists) to perform an overall program performance evaluation. The AAC program provided the team with all required program's data, and facilitated and assisted them to conduct interviews with AAC program's clients and collaborators.

Main findings from the evaluation process:

1. The effectiveness of the AAC program implementation strategies and approaches is demonstrated by its positive results as measured by its program indicators; its contributions to the country's performance in the agricultural sector; its successful collaboration with government institutions, other USAID projects and donor-funded activities; and beneficiaries' positive assessment of the AAC program as reported to the evaluation team.

2. Examination of the AAC program's targets and actual achievements reveals that the project has met or exceeded its targets for all indicators since program inception. This result is worth highlighting because program targets were adjusted upward twice for FY 2011 and for the period covering program's extension.

3. The AAC program's contributions to Albania's performance in the agricultural sector are substantial. Program beneficiaries' total production of the targeted commodities increased by an average of nearly 20% from FY 2008 to FY 2011. Yield increased by an average of over 20 percent during the same period, suggesting that the increase in production was not due to expansion in area cultivated but to improved farming techniques and more intensive cultivation practices. As a result, domestic sales and exports have soared, suggesting a significant transition from subsistence farming to a market-driven agricultural economy. In FY 2009-FY 2011, total exports increased nearly threefold in volume and over fivefold in value, and covered 14 different markets in neighboring countries as well as in new markets in the U.S. and the E.U.

4. The AAC program collaboration with MOAFCP and its agencies at the national, regional, and local levels has been outstanding. And so was its collaboration with other donor-funded initiatives. A high ranking MOAFCP official stated that AAC program was the best agricultural project that had ever been implemented in Albania and that its collaboration with MOAFCP was the best he had ever seen. Representatives from other donors were equally enthusiastic in their assessment of program's collaboration with their own project activities.

5. After five years of the AAC program's implementation, the original assumptions of the program remain valid, particularly as they relate to the high potential of growth in the country's agricultural sector. Several factors account for such potential, including fertile soils and favorable climate conditions; agro-ecological conditions for early and late production season; comparatively low wage rates; a literate agricultural labor force; and a favorable geographic location relative to European Union (E.U.) markets. AAC original assumptions for the implementation of program activities are all the most relevant today because they are in line with E.U.'s instrument for pre-accession, a program designed to support candidate, and potential candidate countries such as Albania in their gradual alignment with EU standards and policies.

6. Building on the success of the AAC program, a follow-up initiative is justified because: The program has been involved in high-value horticulture and other value chains of strategic importance to the development of the agricultural sector in Albania.

Success Story – The building of an additional low-cost postharvest handling facility in Korça

Postharvest losses in produce range from 2% to 23% depending on the commodity. Strategies for loss prevention include use of genotypes that have longer postharvest life, use of integrated crop management system that results in good keeping quality, and use of proper postharvest handling systems that maintain quality and safety of products. The AAC training and research program employed all three strategies to improve quality and value of horticultural crops, reduce postharvest losses and improve competitiveness.

Mechanical refrigeration is the only commercially available method for obtaining precise temperature control for perishable commodities. A system costs about USD 8,500 for a 7kW refrigeration capacity. The system consists of an air-cooled compressor/condenser unit installed outside and an evaporator unit installed inside the cold room.

The AAC program developed and constructed a low-cost cold room in a farm in Leminot, Korça. A CoolBot controller was used to allow the unit to produce lower air temperatures without building up ice on the evaporator coil. The buildup ice restricts airflow and stops cooling; the room measured 3 m X 4 m by 3m tall. The walls and the floor were constructed using 12 X 15 cm wood studs and joists and covered with 0.8 cm plywood sheathing inside and out. Styrofoam (polystyrene slabs) were installed in the walls and floor to reach an R value of 25 (temperature difference across insulation material divided by the heat transferred); a 25,000 Btu (7.4 kWh) mini-split air conditioner was installed in the cold room. The size of the air conditioner was commensurate with the size of the room. The unit was chosen of an inverter type because of the lower operating costs. The CoolBot unit includes a room temperature sensor, a defrost sensor that is placed next to evaporator coil fins, and a small heater element that attaches to the sensor from the air conditioner.



The room offers enough space for walk-in cold storage for significant amount of produce, yet small enough to fit in existing storage structure.



The AAC program specialist, Genc Como programming a CoolBot after connecting the wires.

The AAC program achieved to build a cool room of 36 m³ with a storage capacity of about 7,700 kg, costing only about USD 1,900 (the average build cost for such a facility would be USD 8,000). Moreover the operating costs of the facility will be very low compared to standard cool rooms.

“I was very excited when the program decided to build a cool room inside my existing store room. Seeing the final result me and my family can hardly find the words to thank the USAID program. Although I needed this facility, I had neither the technical knowledge nor the finance means to build one.” – Said Mr. Estref Fasho, the proud owner of the facility.

Success Story – 20% more greenhouse areas in Lushnja region

The economic difficulties that neighbor countries are facing lately have forced many Albanians who lived in Greece and Italy to return to their natal country. Many of them abandoned their farms years ago but the circumstances arose now for the opportunity to start their own agricultural related business. The increased incomes generated from the vegetables cultivation business have encouraged the already existing greenhouse growers and the new ones to invest in this sector.

The 5 years assistance of the AAC program through a whole package of training sessions on greenhouse vegetables cultivation technology and IPM implementation has increased the program clients' production efficiency and quality; has reduced costs and as a result has increased the incomes per surface unit. Also the program's support in improving the marketing infrastructure and creating contacts with new markets has given confidence to farmers to increase the greenhouse surfaces. Goriçan village is a notable example in the area of Berat. During the 2011-2012 season farmers have increased with 16 hectares the greenhouse surface, approximately 20% more than during the 2009-2010 season. What is more important, many farmers who are returning to Goriçan from Greece and Italy are investing in greenhouses. More and more farmers are approaching the program for technical assistance; the new farmers received from the AAC program's staff in Lushnje technical advice on the proper ways to construct greenhouses: technological parameters, height, technical figures of plastic sheets, etc. For these new greenhouse operators, the assistance of the AAC program continues with greenhouse value chain related training sessions organized in Goriçan.

Tomorr Hoxha, Roland Goga, Gezim Goga, Nebi Kashari, Leonard Hasko, Kastriot Goga, and Hajredin Vesho are the farmers who have constructed greenhouses (of about 0.2 -0.3 hectares) for the first time, being in their first season of production. All these new greenhouse operators have reached an agreement with Goga Goriçan Collection Point to sell their products.



Mr. Tomorr Hoxha, the new greenhouse operator in Goriçan stated:

“Seeing the very first tomato production in my own greenhouse, I am very happy and proud with my decision to start this business in Albania.

I want to especially thank the USAID program for all the help and support.”

Success Story – Taste of Albania brand promoted in 30 stores of the Euromax supermarket chain in Albania



“Shija Shqiptare” Brand’s signs in Euromax Supermarkets in Tirana.

The high cost of interacting with individual farmers and small scale enterprises sometimes leads to lack of produce availability for the consolidator operators. The AAC program has continuously promoted the collaboration between farmers groups or associations that aggregate their production and collection points and/or cold storage operators. The program also supported the larger Albanian consolidators to explore further opportunities with buyers like Euromax, Conad, Mercator, and a new potential buyer like Carrefour.

In FY2009 the program developed the “Taste of Albania” brand. Since then the brand was promoted during the marketing related activities of the program; in national and international fairs.

During the fourth quarter an agreement was reached with the Euromax’s supermarkets chain representatives to continue the promotion of the Albanian fresh produce under the “Taste of Albania” brand. Signs with the “Shija Shqiptare” (Taste of Albania) logo were designed and provided by the AAC program to 30 Euromax’s supermarkets in 4 cities: Tiranë, Vlorë, Fier and Durrës.

Through these marketing activities, the AAC program aims to motivate farmers and agribusinesses to continuously improve the productivity, the quality of their products, the distribution channels and to use the existing market information to maximize their competitive advantages.

Component I. Strengthening Producer Capacity for Competitive Farming

Summary Highlights Quarter 4:

- In the Korça region, was conducted one onion production field day and one training session on production technology for onion with the participation of 180 attendees; 50 of them women (around 30% of the total number).
 - For the greenhouse vegetable growers in Lushnja and Shkodër area, the AAC program delivered 17 training sessions with a total number of 255 participants.
 - A round table to present the bumble bee pollination was organized in Lushnja, where 150 participants attended; 14 of them women.
 - Four training sessions on citrus IPM were held in the Saranda area where 57 growers participated; 1 of them woman.
 - During the fourth quarter of fiscal year 2012, 24 production related activities were delivered, totaling 642 participants, including 66 women – 11% of the total.
-

Korça Region

Value Chain: Open field crops

Onions - Training on modern production technology

Rationale: Incorrect application of fertilizers has been observed at the onion growers in the Miras area, since their management was not based on soil test and multiple applications of fertilizers were never applied. ‘Miras’—the region’s signature crop has undergone degeneration due to its out-crossing behavior impacting the onion production in the area.

The activity: Training of modern onion production aspects was held on August 9, 2012 in the AAC program’s demonstration plot in Menkulas, Korça. The demonstration plot has served as an excellent training ground in many occasions. 33 farmers, 16 of them women participated in the training. Professor Kristaq Teneqexhi of the Korça University explained that the research taking place in the demonstration plot covered important aspects of onion production. The participants were given a tour on the field.



During the training in Menkulas, Korça region.

Professor Teneqexhi focused on soils and fertilizer management and seed production. He explained that it is important to always base the fertilizer requirements on a recent, properly obtained soil sample. Onions require more fertilizer than most vegetable crops because fertilization of both plant beds and dry bulb onions must be considered. Experiments conducted by the AAC program concluded that the method of fertilizer application is very important in obtaining maximum yield with multiple applications ensuring good yields. He focused on the role of nitrogen explaining that high N rates produce succulent plants that are

more susceptible to chilling and freezing injury and disease and do not store well. Application of excess nitrogen has been observed in the past in the area.

He introduced the production of the Walla Walla and Miras elite seed. The latter variety has shown degeneration due to its out-crossing behavior, which would render the variety a trivial heterogeneous ecotype if the process is not curbed. The phenomenon has been observed by growers for many years since it is apparent phenotypic. The seeds saved from the previous year were planted to produce bulbs. Phenotypically true-to-type bulbs i.e. having a distinctive hollow at the neck, authentic geometry, flattened at the neck and slightly conical at the end, and never with a tint of red will be field set next year to obtain the elite seed. The technology for the production of 'Walla Walla' is the same as 'Miras' except the first year is omitted.

Balanced and correct fertilizer management is an important aspect in onion production. The trials conducted by the AAC program in 2011 and 2012 will determine the rates for various fertilizers to maximize yield, improve storability and pave the way for their prudent use. An elite production scheme for the 'Miras' variety will lead to stabilization of the genotype impacting significantly onion production in the area.

Onion Production Field Day

Rationale: A 4,000 m² demonstration plot was installed in Menkulas by the AAC program during the fiscal year: (i) Producing super elite seed through simple selection of desirable individual plants from a population of 'Miras' onion; (ii) Effect of fertilizers on yield and quality of onion grown in Korça; (iii) Effect of plant density on onion yield and quality.; (iv) Evaluating new varieties of onion for bulb yield and quality, and (v) Production of Walla Walla seed.

The activity: The onion field day was held on September 13, 2012 in the AAC's demonstration plot in Menkulas, Korça. 147 (34 women) growers, including members of the onion growers associations in Miras and Menkulas, input suppliers, consolidators, representatives of MoAFCP, local government, extension service, TTC, and Korça University participated in the field day.

David Anderson, AAC program's COP, welcomed the participants and provided a broad overview of the demonstration plot. He explained that the purpose of the trial was to clarify the less known aspects of onion production to increase yield and quality, reduce production costs, and therefore improve competitiveness. He characterized the new varieties tested in the variety trial by AAC program, including Gold Coin, a medium-small, yellow, pungent, and sweet onion that stores well, Walla Walla, a very large, flattened, ultra-mild onion, but not for storage and Candy, a slightly flattened yellow onion that has potential for large size. All varieties performed remarkably well in AAC program's demonstration plot in Korça. Participants were given a guided tour in the rest of the demonstration plot.

One replication of the variety and density trials was harvested, data were analyzed and preliminary results were presented in the round table that followed the field visit. The AAC program's postharvest specialist explained that in 2011 there was an increase in total yield with increasing potassium (K) fertilizer followed by a decrease at higher rates. Phosphorous (P) fertilizer rate appeared to be weakly associated with total yield. The effect of nitrogen (N) fertilizer on yield may have been significantly underestimated. Bulb frequency and weight changed significantly between the different classes regardless of the fertilizer rates. He also explained that the application of Sulfur increased the concentration of pyruvic acid three-fold, but caused only a slight increase in onion yield. 'Walla Walla' was the mildest cultivar. Concentration of pyruvate in 'Golden Coin' and 'Miras' was 3.5 and 2 times higher than in 'Walla Walla'. The AAC program recommends the planting of the Walla Walla sweet onion

cultivar in the Menkulas/Miras area of Korça when growers wish to produce a mild, “sweeter” tasting onion for a specialty market.



During the training in Menkulas, Korça region.

In 2012, the experimental design was modified to obtain a clearer response of the effect of fertilizers or interaction thereof on bulb yield and quality. The distribution of bulb diameters shifted toward higher categories, i.e., in 2012 we obtained larger bulbs. Walla Walla outperformed all varieties in terms of yield with 87 T/ha, followed by Candy and Miras with 55 T/ha. 460,000 plants/ha resulted 90 Tons/ha—the highest yield ever achieved in the area. Storability of onions as affected by N, S, cultivar, and postharvest handling will be evaluated.

Lavdërim Mira, Head of the Onion Grower Association in Menkulas, and on whose farms the demonstration plot was established, welcomed the participants. He was confident that the results of the trial would be beneficial for the growers in the region. In particular, he valued the work to reverse the long-term genotypic decline of the Miras variety.

The demonstration site in Menkulas represents a significant effort of the AAC program for onion production and the largest research effort ever undertaken in the area for onions. The meticulously planned demonstration plot was established with scientific rigor and provided an opportunity for growers to observe good growing practices and new onion varieties as well as for researchers an example of good experimental design. The research introduced a new variety, Walla Walla; sweet, that expands the offer of a better tasting, milder onion that gives growers an opportunity to introduce a new product to the market place at a possibly higher value. An important achievement in 2011 was the assessment of pungency in onion—a major quality attribute—by measuring pyruvate, which is formed as a stable primary compound from the enzymatic decomposition of the flavor precursors. The research measured pyruvate concentration in several cultivars and established the effect of sulfur on pungency. The assay was performed through an excellent collaboration with the University of Korça, contributing therefore to strengthening the capacities of the latter. The field day provided a venue for growers and scientific community to discuss issues and constraints underlying onion production. The field day met its purpose as it assured a wide participation.

Participants were provided with a color handout containing detailed description of each of the 2012 experiments and a summary of results of 2011 experiments and recommendations.

Participants table

No	Date	Location	Topic of the training	No. of participants / no. of women
1	9/08/2012	Menkulas	Production technology for onion	33/16
2	9/13/2012	Menkulas	The onion field day	147/34
Total participants in 2 onion related events				180/50

Lushnja, Shkodër and Saranda Regions

Value Chain: Greenhouse Vegetables

Greenhouses – Solarization training on nematode control

Rationale: The long year use of the greenhouse, the nature of the parasite, its resistance towards the treatments, high adaptability with the environment, and very rapid spread set the necessity of compiling a full plan of measurements for nematode control. The AAC program has constantly assisted its clients during these five years of activity with complete training sessions on the greenhouse vegetables cultivation techniques, integrated plant protection, and nematode prevention and control. Usually farmers plant the greenhouse twice a year, which increases the number of pests and diseases; nematode is one of the most frequent and harder to fight. The aim of such practical training sessions in the greenhouse is not only to introduce farmers with the concepts of nematode control, but more over to demonstrate the solarization as one of the best practices against nematode and other soil pests.

The activity: During July 2012, the AAC program assisted 115 farmers, 1 of them women, members of 8 greenhouse vegetables growers' groups in the areas of Lushnja, Berat and Fier with 8 practical training sessions on "Greenhouse solarization, the best IPM practice against nematode and other soil pests".

To minimize production losses and protect plants from pests and diseases the AAC program's specialists recommend the solarization as the best practice. During the practical sessions held in greenhouses by AAC program's specialists, Luto Goga and Josif Liko, growers saw in practice the application of solarization. Farmers were also introduced with alternative methods for IPM such as treatments with nematocides, bio-nematocides, physical and agro technical methods which are cost effective and easy to apply. The specialists recommended the use of nematode resistant or grafted varieties as an agro technical method against nematode and treatment with nematicides (nemafof, oxamil, Rekby, Bright, etc).



The training in Hysgjokaj.

Participants table:

No	Date	Location	Topic of the training	No. of participants / no. of women
1.	7/05/2012	Këmishtaj	Greenhouse solarization the best IPM practice against nematode and other soil pests	8/0
2.	7/10/2012	Goriçan		18/1
3.	7/13/2012	Fierseman		12/0
4.	7/17/2012	Imsht/Bubullimë		16/0
5.	7/20/2012	Lumth		8/0
6.	7/24/2012	Hysgjokaj		30/0
7.	7/27/2012	Velmish		11/0
8.	7/31/2012	Hink		12/0
Total participants in 8 training sessions				115/1

The bumble bee pollination round table

Rationale: The AAC program has done ongoing efforts to improve the technology of tomato cultivation in greenhouses. The use of bumble bees for pollination is a new practice introduced in the Lushnja and Shkodra area. This good agriculture practice has a positive impact in increasing the produce yield, improving the fruit quality and avoiding the use of various synthetic products for pollination. Aiming to promote the use of bumble bee pollination the AAC program started raising farmers' awareness with training sessions. Later on, the program facilitated linkages between KOPERT Company in Netherlands (the provider of bumble bee hives) and the input supplier Bruka Seedling Company in Albania. Clients were selected to set up bumble bee demo plots. Data were collected in collaboration with the AUT; the results were generated with Professor's Astrit Balliu's help. During the fourth quarter the AAC program organized a round table to further expand the knowhow to greenhouse growers of the Lushnja region.

The activity: On the 7th of August 2012, the AAC program in Lushnje held a round table with 150 attendees, 14 of them women. Greenhouse growers and members of 19 associations/farmers' groups (from Lushnja, Berati, Fier and Shkodra) that the AAC program works with, input suppliers, agriculture specialists from Lushnja TTC, Fier and Berat RDoAFCP, representatives from bank institutions (Credit union "Haba", Procredit Bank and NOA) attended the round table.

AUT's Professor Astrit Balliu made a detailed presentation of the demo plot results where he emphasized the importance of bumble bee use for tomatoes pollination. The arguments were illustrated with photos taken at the demo plots.

Next, the KOPPERT Company expert made a thorough presentation of the bumble bee production; how to handle the bumble bee hives, and the time of use and measurements to protect users from harming themselves. More over he explained the process of bumble bee pollination and its effectiveness and advantages compared to other methods of pollination.

At the end of the event, all the participants expressed their high appreciation towards AAC program's contribution not only for the introduction of the bumble bee pollination practice but also for other aspects of this commodity value chain.



The round table in Lushnja with 150 attendees.

Participants table

No	Date	Location	Topic of the event	No. of participants / no. of women
I	8/7/2012	Lushnje	The bumble bee pollination round table	150/14
Total participants in I round table				150/14

Implementation of updated technology in greenhouse production and IPM training

Rationale: During these last 5 years, The AAC program's Lushnja office has continuously assisted farmers to improve the technology of greenhouse vegetables cultivation. Training sessions provided to farmers' groups of Gorica, Hysgjokaj, Fierseman, Këmishtaj, Lumth, Bubullimë, Goriçan, Hink, Otlak, Drenovicë etc have had a direct impact in the production increase, improved quality, in cost effectiveness and mainly in increased household income from the greenhouse business. Farmers from nearby areas asked the AAC program to expand the training assistance to those areas, too.

The activity: During the fourth quarter, the AAC program provided training sessions on updated technology to five new areas to give to the newly assisted greenhouse growers the opportunity to improve the production technology of vegetables. A total of 67 participants were trained in cooperation with AUT's Professor Astrit Balliu. The professor presented the farmers with the importance of the proper fertilizing scheme, ventilation regime, plant protection and other important elements of the technology. The training on the same topic was delivered to 36 farmers of Shkodra region as well.

During September 2012 the AAC program delivered IPM training sessions to farmers in new areas such as Zgjanë/Lushnje and Suk/Fier with the participation of 37 farmers. The greenhouse growers learned how to protect the plants and reduce the amount of pesticides by applying Integrated Pest Management. The AUT's professor Shpend Shahini explained how to identify the problem and then undertake the most effective measurements against the pests and diseases. The professor particularly emphasized the preventive and treatment measurements against Tutta Absoluta.



Professor Shpend Shahini during IPM training.

Participants table

No	Date	Location	Topic of the training	No. of participants / no. of women
1.	8/14/2012	Remas	Implementation of updated technology in greenhouses production	14/0
2.	8/17/2012	Karbunarë		8/0
3.	8/31/2012	Zgjanë		8/0
4.	9/21/2012	Gjyshaj		8/0
5.	9/21/2012	Pekisht		29/0
6.	9/20/2012	Kosmaç		19/0
7.	9/29/2012	Ana Malit		17/0
8.	9/27/2012	Zgjanë	Implementation of IPM in greenhouses	16/0
9.	9/29/2012	Suk		21/0
Total participants in 9 training sessions				140/0

Value Chain: Tree Crops

Citrus - IPM training

Rationale: During the hot season the citrus crops manifest symptoms of diseases (Bacterioza of citrus, phytophthora and snake borer) and damages caused by pests. Thus it is very important to draft an IPM plan far ahead of these problems occurring. Aiming to protect the citrus plants and advise citrus growers to use good IPM practices, the AAC program organized field trainings on best agricultural practices

The activity: During July, the AAC program's outreach specialist in Saranda, Kostandin Koço provided IPM training to 57 citrus growers (1 of them woman), members of four growers groups in Vrinë, Xarrë, Delvinë and Konispol in Saranda area.

The AAC program's specialist introduced citrus growers to preventive practices and know how on the key pests and diseases of citrus crop in the Saranda area, and the approved lists of pesticides, manner, time and dosage of usage.

In addition, the specialist trained the citrus growers how to organize the observation process and discover the signs of the disease. The specialist accentuated the safety manners and application methods by recommending use of protective equipments such as gloves, glasses and masks.

At the end of the training growers received hand outs with recommendations.



The training in Xarrë.

Participants table:

No	Date	Location	Topic of the training	No. of participants / no. of women
1	7/23/2012	Vrinë	IPM in citrus	9/0
2	7/25/2012	Xarrë		22/0
3	7/30/2012	Konispol		17/0
4	7/30/2012	Stjar/Delvinë		9/1
Total participants in 4 training sessions				57/1

Component II: Strengthen Capability for Market Development

Summary Highlights Quarter 4

- Facilitated total sales transactions worth of \$752,250; 50 % of them exports.
- The most exported commodities were watermelons, processed food, and MAPs.
- Facilitated the visit of 2 consolidators-exporters from Lushnja area to Athens, Greece.
- Supported the participation of 10 olive oil producers at the National Agricultural and Tourism Trade Fair organized during September, 20-24.
- Organized the 8th Olive Oil Day on September 21.
- Promoted the “Taste of Albania” brand in 30 Euromax supermarkets in 4 cities.
- Designed and produced marketing materials for its clients.

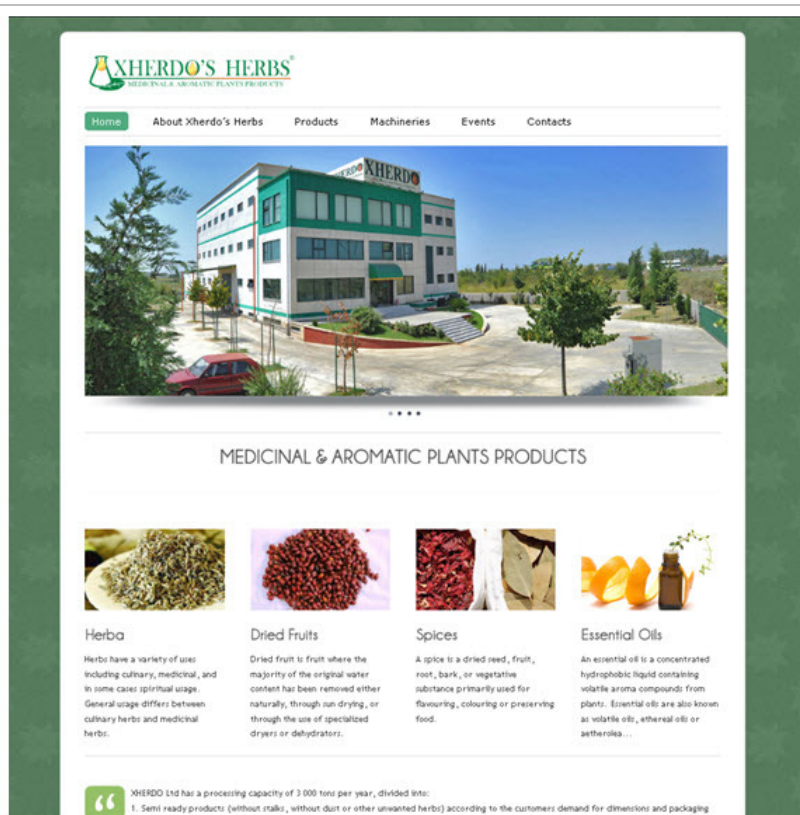
Marketing and promotional materials for the AAC program clients

During the reporting quarter, the AAC program assisted its processors and consolidators clients with new promotional materials. For Xherdo's Herbs Sh.p.k, the MAPs exporter and essence oil producer were designed: the official website, company's flyers, an herbs booklet and 3 advertising signs (one of them 16 m X 4 m) displayed at the factory. These materials increase the company's visibility to the domestic and export market.

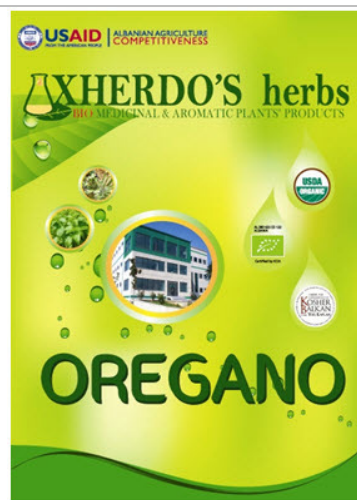
For Agro-Koni, large consolidator-exporter of fresh produce a new logo was designed; the logo with be used to print a 16 meters advertising sign which will be displayed at the storage facility in Maminas. For the Albanian Olive Oil Association, the AAC program designed and produced 20 posters (1.5 m X 0.8 m) used to promote the Albanian Olive Oil during the annual KASH Fair and distributed to AAC program's clients.



Xherdo's Sh.p.k previous (left) and the new designed and produced by AAC program (right) advertising sign.



Xherdo's Herbs Official Website



Xherdo's herbs Flyers for 5 herbs and spices



Xherdo's herbs new products Booklet



The new logo created by the AAC program's IT and Designer, Erind Alickolli for Agro-Koni.

Outward Trade Mission to Greece, during September 19-22

Rationale: With the establishment of a modern fresh produce collection facility in the Goričan and Hysgjokaj areas which has increased the consolidation of greenhouse production for sale, it was considered necessary to explore new export markets for the increased volume of produce.

The activity: The AAC program facilitated an outward trade mission to Athens, Greece for two consolidators-exporters operators of Hysgjokaj and Goričan, clients of the program, on September 19-22. The objective of the mission was to meet key buyers to better develop the trade relations, increase sales and explore new business opportunities.

Mystehak Goga, owner of “Goga Goričan” Company, Kastriot Goga, Marketing Manager at “Goga Goričan” Company and Muharrem Xhebexhiu, owner of the Hysgjokaj Collection point, accompanied by Piro Rapushi, the AAC program’s Manager of Lushnja Office visited the wholesale market in Athens. Participants had the chance to meet with 3 local companies, potential buyers: NTONTOE (Kypiakh Ntontoy & ΣΙΑ Ε.Π.Ε), BHTA ΟΡΩΡΟΚΗΡΕΥΤΙΚΗ ΑΜΑΛΙΑΔΟΕ Ε.Ε and HAR-MA Fruits;

During the meetings, the owners of the 2 Albanian companies presented to the potential business partners their produce capacities: greenhouse vegetables, mainly tomatoes and cucumbers during March – June and October – December periods satisfying the sorting and packaging requirements of the client. The representatives of the Greek companies seemed to be interested to import the Albanian product.

The next day, the group visited a retail market where they learned how the produce was packaged for the domestic market, and also the price difference between wholesale market and the retail market.



During the trade mission to Athens.

Outcomes of the meeting

- The Greek companies expressed their demand for tomatoes supplies: a minimum of 20 tons load every three days during November and 20 tons every other day during December. Their demand will be related also with the production situation in Crete. In return, Mr. Mystehak Goga and Mr. Muharrem Xhebexhiu said there are able to fulfill the demand at the required volumes, and in compliance with EU norms & standards.
- All the Greek Companies were interested to import cucumbers and tomatoes from Albania also during the early spring season (March – May).
- After starting the business relationship for greenhouse vegetables both parties will see the possibility to increase the number of commodities for export to the Greek market (peppers, greenhouse melons, etc).
- Both parties agreed the transportation will be organized and carried out by the Greek part.
- Both parties agreed on terms of payment. (*Cash at the loading point through the drivers*).

The Agro-Tourism Fair 2012 and the 8th Olive Oil Day

The activity: The AAC program participated at the National Agro-Tourism Fair organized by the MoAFCP, the MoTCAYS and the Albanian Agri-Business Council (KASH) organized in Tirana, during 20-24 September, 2012. The AAC program was granted a 50 m² stand dedicated only to the Albanian Olive Oil Association. Within this stand, 10 olive oil producers, all participants in the 8th National Extra Virgin Olive Oil Contest where brought together.

After the opening ceremony, the AAC program's stand was visited by the recently sworn in USAID Mission Director, Dr. Jim Barnhart, the Minister of MoAFCP Mr. Genc Ruli, and many other visitors, who had the chance to taste and buy the exhibited Albanian Olive Oil.



The Minister of AFCP visiting the AAC program's stand during the Fair.

List of Olive Oil Producers, participants at the 2012 Agribusiness Fair:

No	Name of Company – Olive Oil Producer	Location of business
1.	"SHKALLA" Sh. p. k.	Tiranë
2.	"IVAP" Sh. p. k.	Tiranë
3.	"SUBASHI" Sh. p. k.	Marikaj/Tiranë
4.	"MUSAI" Sh. p. k.	Skroftinë/Vlorë
5.	"LEDMARKE" Sh. p. k.	Levan/Fier
6.	"HAMZAI" Sh. p. k.	Vlorë
7.	"JAL" Sh. p. k.	Krujë
8.	"KALLMETI" Sh. p. k.	Kallmet/Lezhë;
9.	"TRE MIQTË" Sh. p. k.	Ndroq/Tiranë
10.	"BORSHI - HAJDINI" Sh. p. k.	Borsh/Sarandë

On the second day of the Agri-Tourism fair, September 21st, the AAC program in cooperation with the AOA organized the 8th National Olive Oil Day. The AAC program's COP, Mr. David Anderson, opened the event followed by the Deputy Minister of Agriculture, Food, and Consumer Protection, Mr. Fasllia's remarks on the GoA efforts to support the country's olive and olive oil production.

During his speech, USAID Mission Director Dr. Jim Barnhart highlighted the AAC program's support to the industry: the olive oil producers have identified and entered high value markets; farmers have increased the productivity and improved the quality of raw materials; advanced olive production systems have been promoted and recently the MoAFCP has recognized the quality and rigor of the olive oil judges panel training, officially approving the Albania's 1st National Taste Panel:

Ms. Aulona Veizi – from Vlora's TTC – as Panel Leader;

Ms. Elisa Peçi – from the Veterinary and Food Institute – as Deputy Panel Leader;

Ms. Rudina Cakraj – from the Ministry of Agriculture – as Secretary of the Tasting Panel.

The National Olive Oil Day ended with the anticipated announcement of this year's Extra Virgin Olive Oil contest's winners (the olive oil testing panel training and judgment of the olive oil samples occurred during June 25-29, 2012):

- 3rd Prize: SUBASHI Sh. p. k. Marikaj/Tiranë,
- 2nd Prize: IVAP Sh. p. k. Mullet/Tiranë,
- 1st Prize: GJIKONDI Sh. p. k. Qeparo/Vlorë.



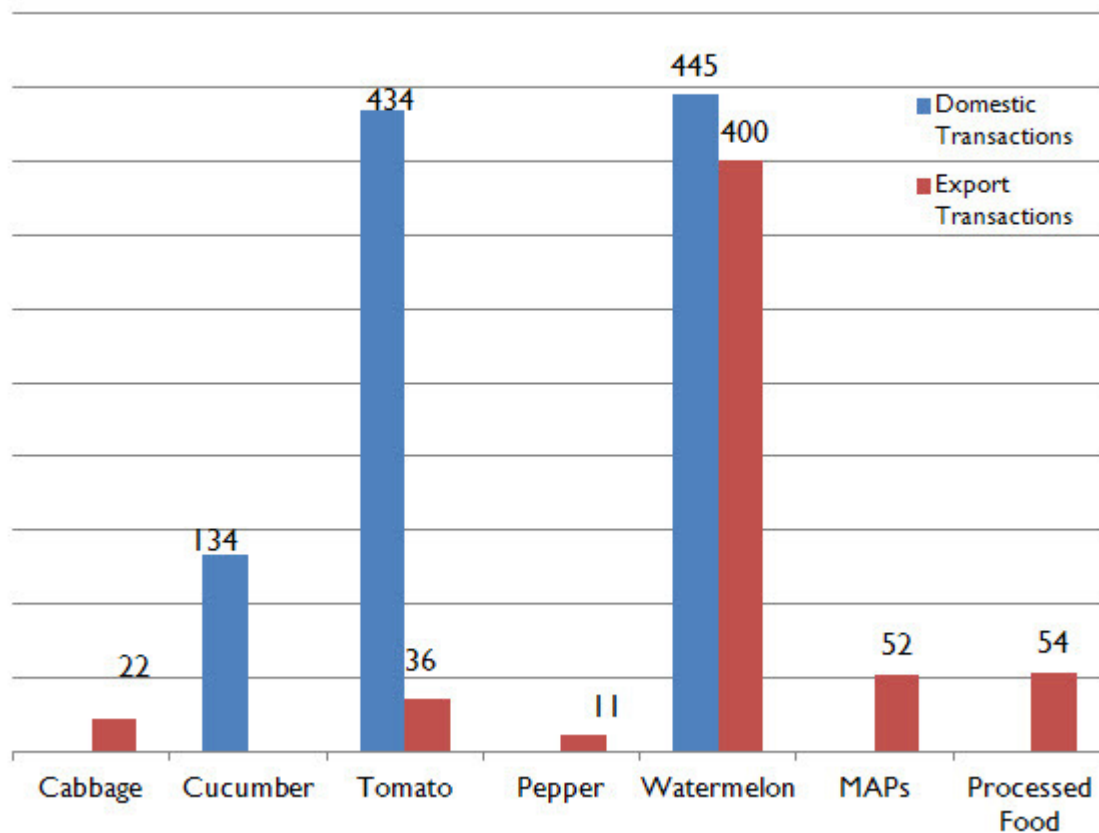
The three Olive Oil contest winners, the Deputy Minister of MoAFCP, USAID's Mission Director and AAC program's COP.

Facilitated Transactions for FY 2012

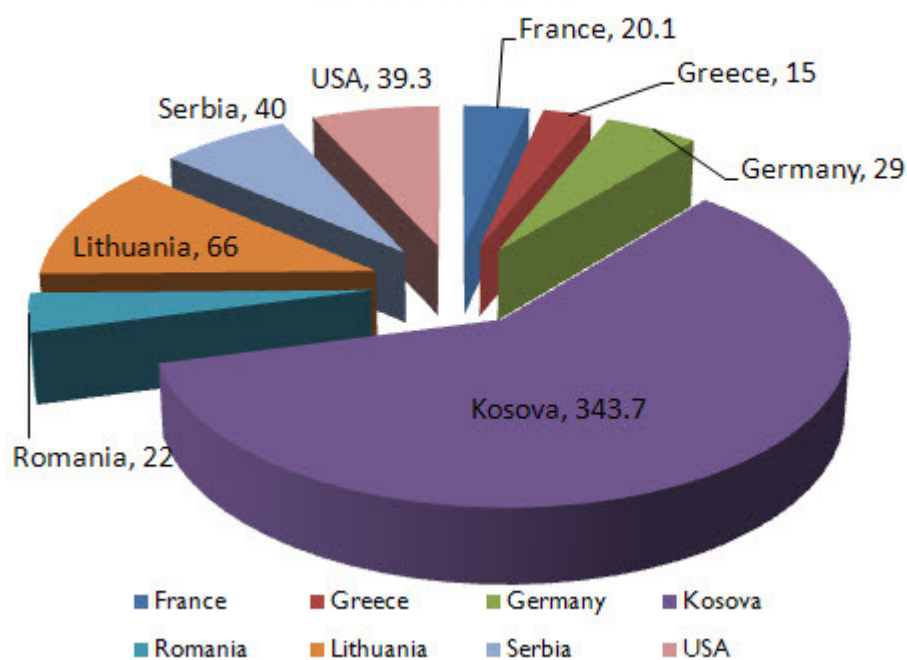
Quarter FY 2012	Type of Transactions	Volume in Tons	Value in ALL	Value in \$	Number of transactions
Q1	Domestic	2,189	121,978,682	1,195,900	246
	Export	4,573	286,172,285	2,805,610	306
	Total	6,762	408,150,967	4,001,510	552
Q2	Domestic	956	28,787,000	287,870	62
	Export	122.3	8,606,000	86,060	10
	Total	1078.3	37,393,000	373,930	72
Q3	Domestic	758.6	65,098,000	614,132	77
	Export	2,683.2	120,741,564	1,139,071	182
	Total	3441.8	185,839,564	1,753,203	259
Q4	Domestic	1012.5	40,221,500	379,448	302
	Export	575.3	39,516,860	372,801	37
	Total	1587.8	79,738,360	752,249	339
Total FY2012	Domestic	4,916	256,085,182	2,477,350	687
	Export	7,953.8	455,036,709	4,403,542	535
	Total	12,870	711,121,891	6,880,892	1222

Note: Average currency rate for Q4/FY2012: 1\$ = 106 ALL

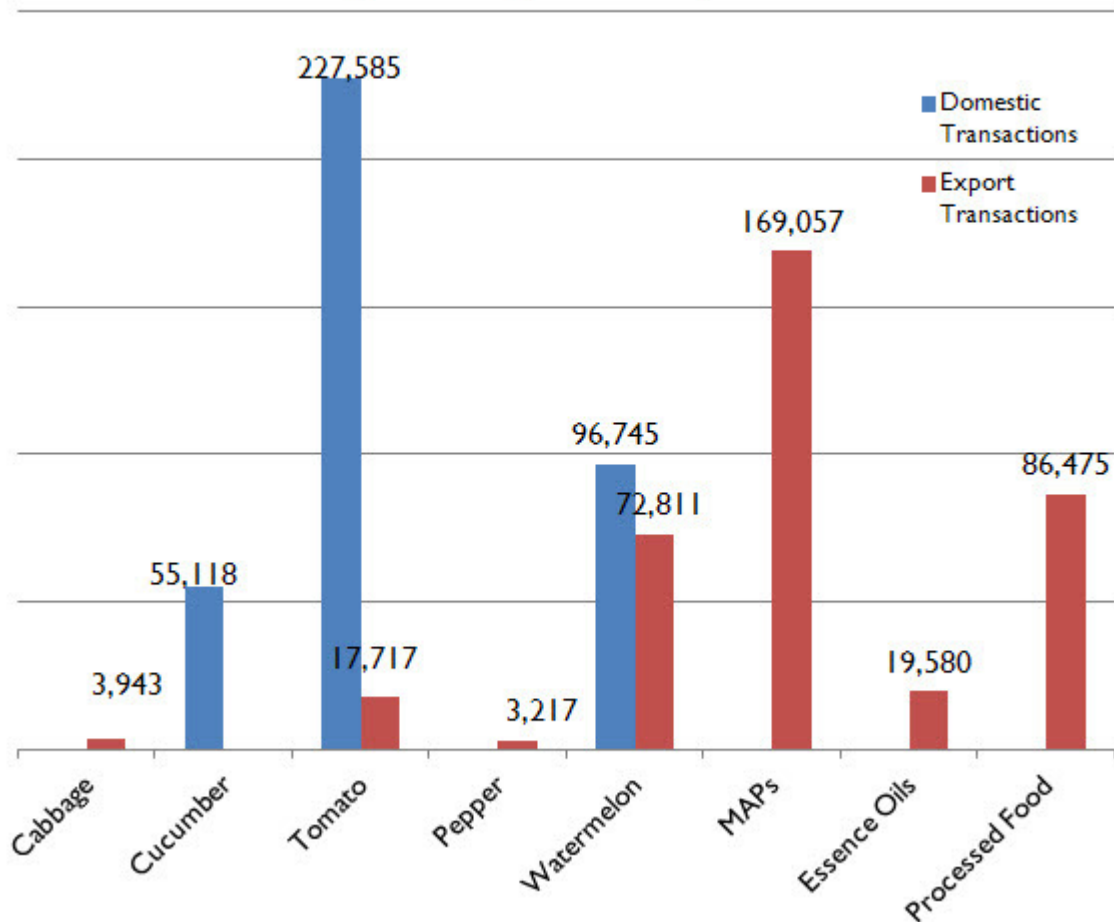
**Facilitated transactions for the selected commodities –
Q4/FY2012 (Volumes in tons)**



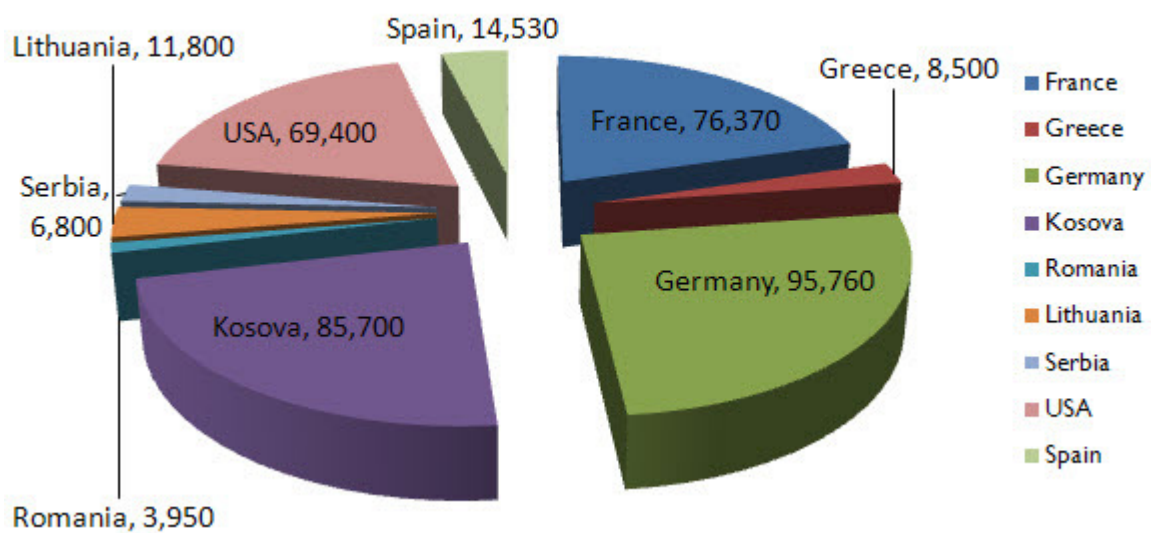
**Facilitated transactions by country – Q4/FY2012
(Volumes in tons)**



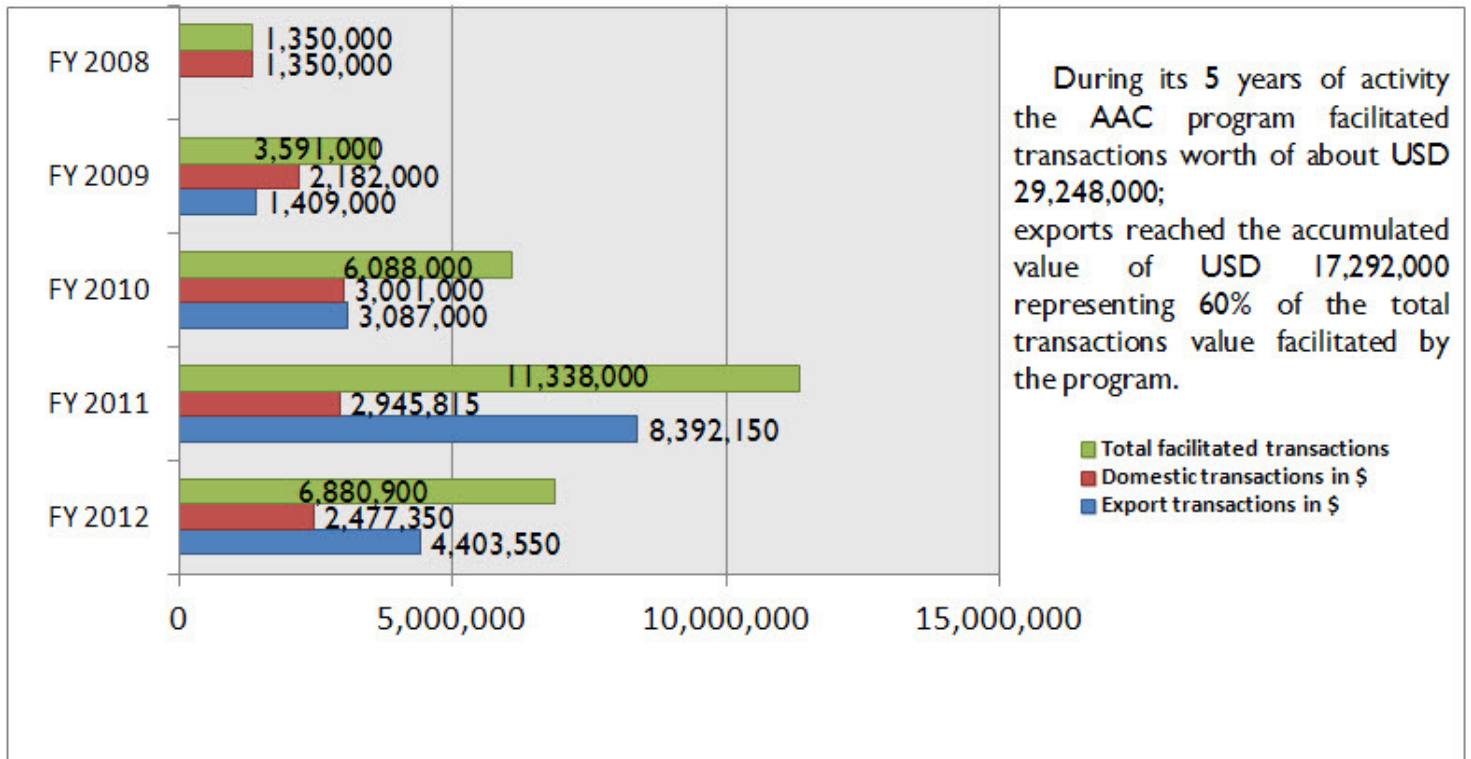
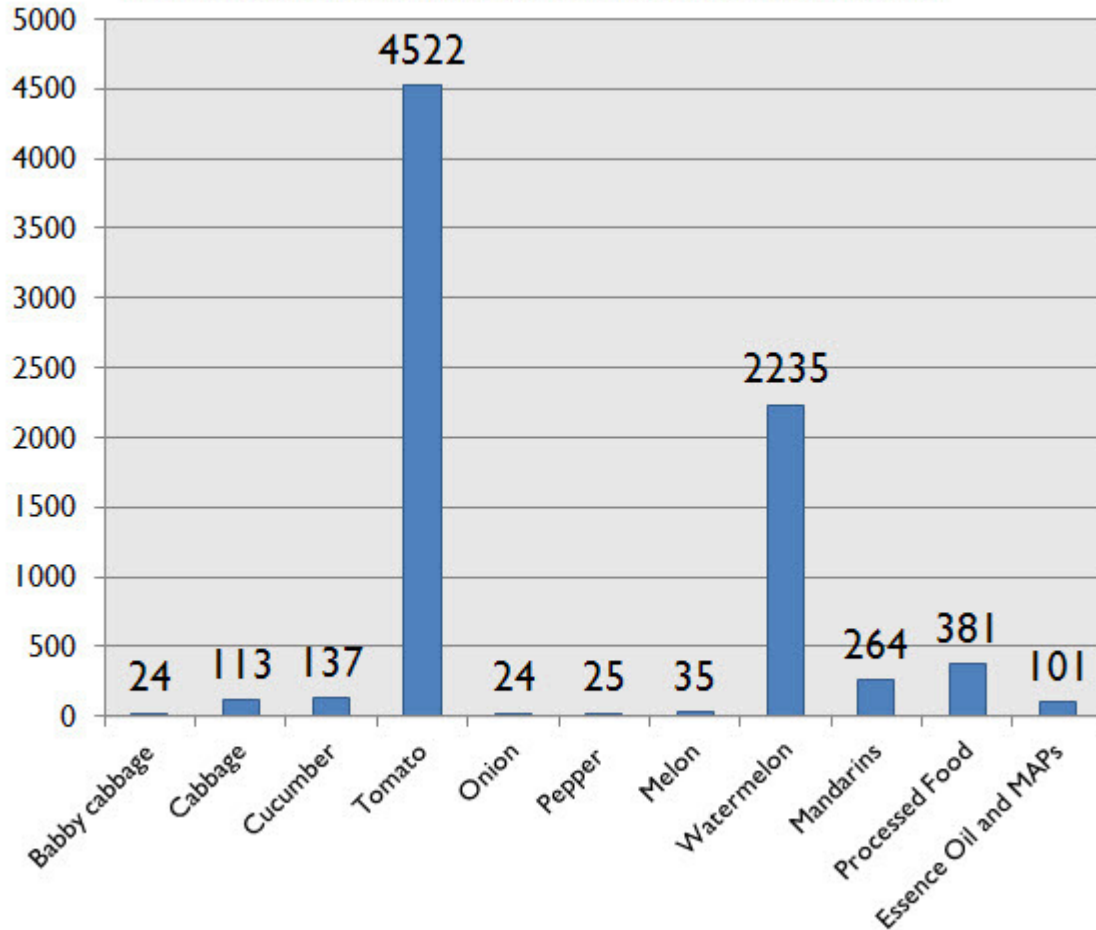
**Facilitated transactions for the selected commodities –
Q4/FY2012 (Values in USD)**



**Facilitated transactions by country – Q4/FY2012
(Values in USD)**



Tons of exported commodities throughout the FY2012



Component III: Increase Access to and Use of Timely and Reliable Market Information

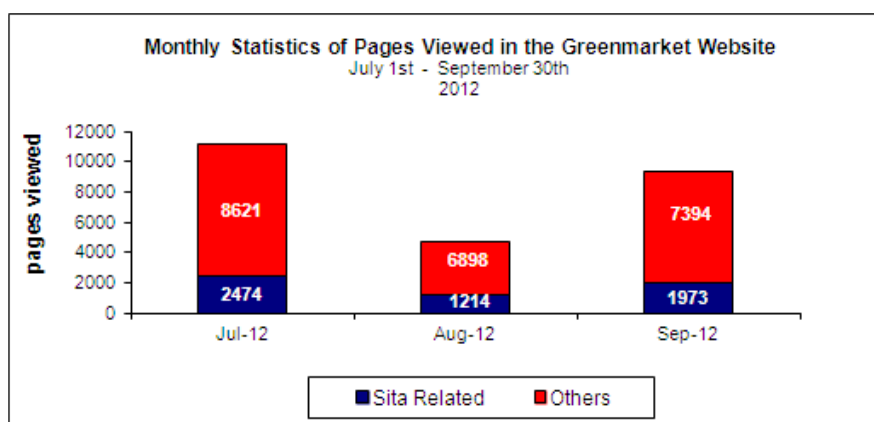
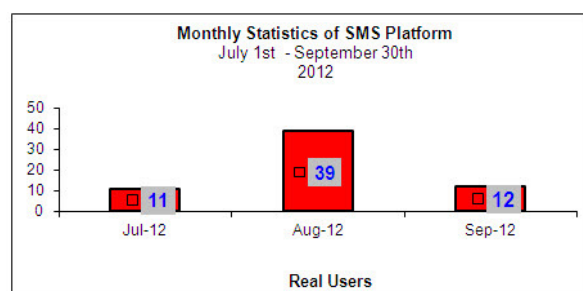
Summary Highlights Quarter 4:

- Delivery of two MIS training sessions on “Use and knowledge of Market Information System SITA” with the participation of 32 farmers, 21 of them women from Shkodra and Korça regions.
- Daily Wholesale and Retail Prices were published daily and distributed on the extended distribution platforms: 5 Market Information Signs in 4 wholesale markets, 3 Televisions, 1 Radio Station, 3 websites, the Prices per SMS platform; and 230 contacts (Associations, Consolidators, Processors, Government Institutions, Media, Supermarkets etc) received the MIS information via emails.
- Published 5 analysis pieces in the KASH newspaper, Agribusiness

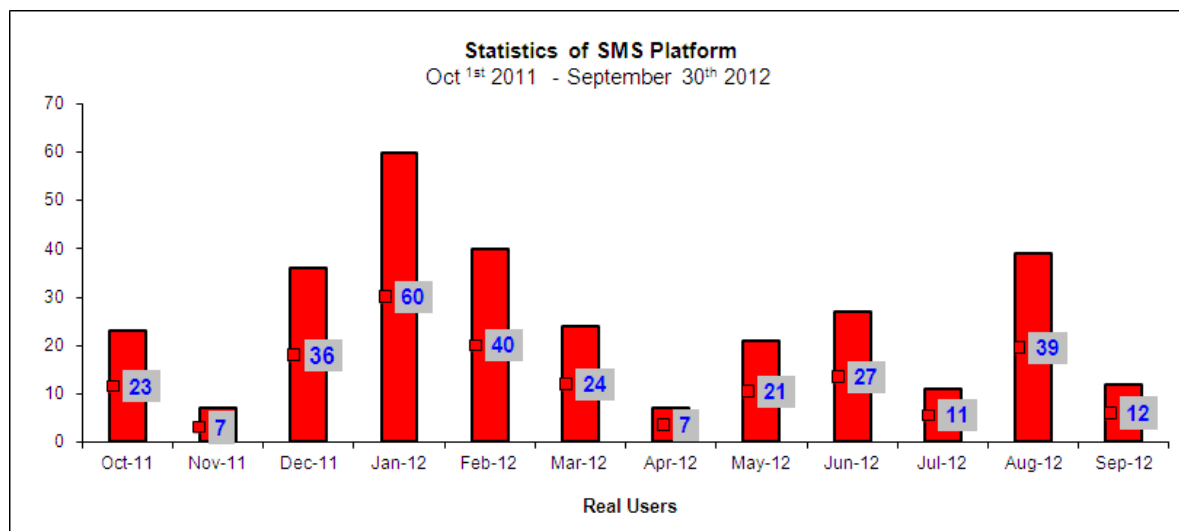
MIS Distribution Platforms Statistics

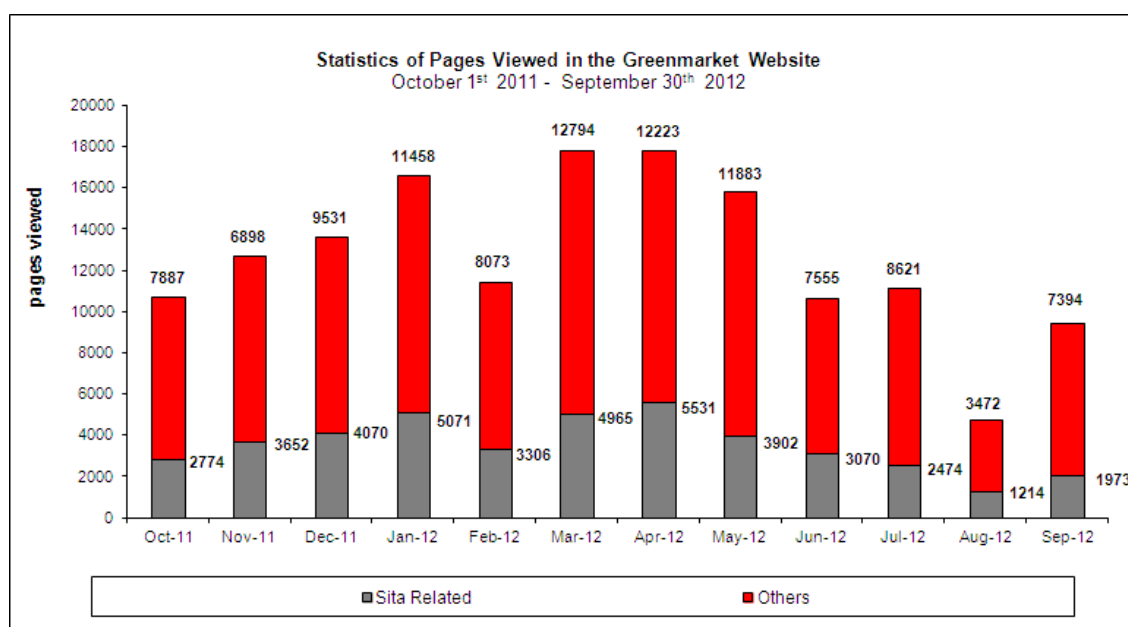
62 people have attempted to receive prices per SMS during July-September 2012.

About 25,140 page views (22.5% MIS Related) were registered at the Greenmarket website.



Annual statistics of the SMS and the Website Platform – FY 2012





Farmers Trainings on MIS and its integration in crop decision making

Rationale: Wholesale and retail market information prices for 23 commodities is disseminated on a daily basis by the MoAFCP, yet many producers have yet to understand how to use this market information to analyze and determine future crop production based on market trends.

The Activity: During the fourth quarter 32 farmers, 21 of them women, received MIS training; the two sessions were conducted in Bulgarec, Korça area, on August 21st 2012 and on September 14th with members of the women's association of Shkodra region during their visit in Kosova. The scope of the training was to make farmers familiar with the:

- Market Information System available to them;
- The possible ways of retrieving information from it; and
- Possibility to integrate their crops data from the system such as; prices in different markets, costs of production, data on sales, product cycle, and cropping decisions.



The MIS training held in Bulgarec, Korça area.

At the last part of the presentation farmers were trained also on a specific platform, the SMS platform. They perceived this platform as useful and a quick way to know the fresh produce prices in their market of interest. Farmers learned how to use MIS when taking decisions what to produce in the future, but also to whom, where and when to sell.

Participants table:

No	Date	Location	Topic of the seminar	No. of participants / no. of women
1	21/08/2012	Bulgarec	MIS Usage and its integration in crop decision making	11/0
2	14/09/2012	Vushtrri		21/21
Total participants in 2 training sessions				32/21

CROSS-CUTTING ACTIVITIES

Summary Highlights Quarter 4:

- During the fourth quarter of FY2012 the AAC program issued one \$11,000 grant to rehabilitate a number of farms to market roads connecting the parcels of land planted with mandarins in Xarrë, Saranda region.
- The program assisted 55 producers to receive credit, 4 of them women. The total amount of about 267,000 USD has been used to purchase agricultural inputs, constructing new greenhouses and extension space of existing ones.
- Two visits were organized for 21 women farmers of the Shkodra region to Kosovo and an exchange visit of the Korça women farmers (13) to Lushnja area.
- Eight actors from MAPs, olive oil and food processing industry participated at the Generalized System of Preferences (GSP) Conference in Tirana organized in collaboration with the American Chamber of Commerce in Albania (AmCham) and the U.S. Embassy Political and Economic office.

Grant Activities

During the last quarter of the Project Year 5, the USAID's AAC program has started preparation for the close-down of the grant activities including the disposition of the grant property and follow up on the site specific environmental compliance plans.

The AAC program also continued the implementation of its only active grant - a rural farm to market road rehabilitation project in Xarra, Saranda region. The last \$11,000 strategic grant was awarded to the Citrus Producer Association of Xarra, in the Saranda region. The grantee is a local Non-governmental organization that protects and promotes growth and development of the Albanian citrus sector. It was started in the spring of 2012 by a group of citrus farmers in Xarra, Saranda region. While still a fledgling organization it has already developed a focused and active agenda. One of the first activities was a collaborative effort between the Association and the Xarra Commune Administration to improve the road infrastructure in the area with high concentration of the citrus farms. Poor road conditions affect 50 percent of the area in production and are a competitive constraint to market access for the local producers.

The program supported this activity which was aimed at rehabilitating a number of small roads connecting the parcels of land planted with mandarins. Better roads are expected to improve fruit harvesting and hauling operations during the main harvest season of October – December when the heaviest rainfall in the region also occurs and worsens road conditions.



The rural road before the rehabilitation (February 2012) and after the gravel cover (September 2012).

The grant covered all the costs of transportation and professional services (machinery) required for preparing the existing road surface and for grading and compacting the new gravel cover. The grantee in coordination with the local regional municipality and commune administration provided all the labor and purchased all the necessary materials (gravel) and supplies for repairing the identified segments of the road. The grantee, Citrus Producer Association of Xarra, is expected to finish all the work by middle of October, in time for the citrus harvesting season.

Generalized System of Preferences Program Conference

The activity: On July the 25th the AAC program in collaboration with the American Chamber of Commerce in Albania and the U.S. Embassy in Tirana organized the conference “Expanding Albania’s Exports through the GSP program”. The meeting served to make Albanian businesses aware of the program and inform them on how they can use this preferential treatment system to access markets that on first sight might seem remote and inaccessible, but that are actually open for new opportunities.

This program is a preferential trade regime that the United States applies for many developing countries through zero customs tariffs for a substantial number of products. Developed countries in Europe, Asia and elsewhere have to pay the customs fees for the same products, while Albanian products get a less costly access to the U.S. market thanks to the absence of these fees under the GSP system.

Mr. Bill Jackson, the Head of Office of the U.S. Trade Representative held a presentation on general terms of the GSP program: "There is a long list of products, which is signed each year by the U.S. President, allowing Albanian businesses to export to the U.S. with fewer costs than neighboring countries that are EU members. This program gives Albanian exporters a competitive advantage compared to other exporters in developed countries, and we think this is a way to promote development, economic growth and further trade and market development," Mr. Jackson said.

Based on official records, iron-chromium make up the largest part of the exports, worth 13.1 million dollars, followed by vegetable oils with 200,000 dollars. Albania has also found a substantial market share in the U.S. for its medicinal plants, an area in which Albania has emerged as a key exporter.



The conference at Sheraton Hotel, Tirana.

Mr. Jackson explained to those present at the meeting all the conditions a product must meet to become part of the GSP system. There were many questions about the 35% criteria that products must meet to qualify. Mr. Jackson explained that the raw materials and all inputs required for manufacturing of a product must be at least 35% made in Albania for the product to be categorized as acceptable for the preferential system, and manufacturers should provide documentation to prove this.

He also gave to the interested olive oil producers the program’s official website where they can search detailed information.

Eight agricultural related firms participated:

No	Company Name	Industry	Address
1.	Xherdo's Herbs Ltd	MAPs consolidator and Essence oils producers/Exporter in USA	Maminas
2.	Mucaj Ltd	MAPs consolidator	Koplik
3.	Relika Ltd	MAPs consolidator	Koplik
4.	Gjedra Ltd	MAPs consolidator	Berat
5.	Gjoka Ltd	MAPs consolidator	Kurbin
6.	Elbashehu Ltd	MAPs consolidator	Elbasan
7.	Sejega Ltd	Food Processor/Exporter in USA	Tiranë
8.	Dhermiu Olive Oil	Olive Oil processor	Tiranë

Agricultural enabling environment exchange visits for women

Rationale: Albanian women are actively involved in the day to day family farming operations, but primarily they are only providing labor for production purposes. The AAC program has conducted short-term productivity training for women, and more recently training in use of the Market Information System and Farm Management principles. Women need to be exposed to a broader learning on how other farming and/or processing enterprises are utilizing better agricultural practices, new technology, improved post harvest handling practices, and sales methods. Additionally, women need to be exposed to the value of working together in women's associations to aggregate farm products to add value and access better markets. Hence, the AAC program has promoted and conducted women's study tours to other areas of Albania, or nearby neighboring countries for the purpose of increasing household incomes through increased productivity, improved quality, and access to better markets.

Exchange visits of Korça women to Lushnja: A study tour took place to Lushnja Region in August 23-24, 2012 with the participation of 12 women from Korça involved in growing and postharvest handling of onions and one specialist of the TTC in Korça.

The purpose of the study tour was to gain knowledge related to modern vegetable production, harvesting, and post harvest handling practices.

The study tour was organized jointly by the AAC program offices of Lushnja and Korça. Site visits included the collection point in Goriçan, greenhouses, the Bruka Seedling Company in Divjaka, and the wholesale market in Lushnja. In the collection point in Goriçan, the participants were presented with packaging used by this center, standardization of produce, and quality control. This collection point was supported through a grant from the AAC program and handles produce for export. A site visit was made to two greenhouses growing tomatoes. The participants were particularly interested in the economics of the activity.



The women of Korça during their exchange visit to Lushnja.

In the second day, the wholesale market in Lushnja and a cold storage facility in Divjaka were visited. The first visit introduced the participants to the organization of the market, commodities traded, volumes, and prices. The second visit introduced the storage of perishable

commodities, and how the product moves through the marketing channels. Packaging used was introduced.

Site visits and discussion with the participants ensured adequate exposure to the production, harvesting, post harvest handling and marketing of horticultural commodities. The event provided a rare opportunity for women involved in growing and postharvest handling of horticultural crops in Korça to discuss issues and constraints related to their operations with farmers in a distant and important area. More importantly, they were presented with the growing and preparation of produce for export market to meet the stricter standards of this market. The AAC program's specialists of the Lushnja Regional Office provided explanations helping the participants to focus their observations.

Exchange visit of Shkodra women to Kosovo: The AAC program organized and facilitated a visit of 21 women farmers from the Shkodra area to Kosovo during September 13-15. During the first day the women started the visits at the model greenhouse owned by the greenhouse grower Daut Kosumi in Pestove village of Vushtrri Commune. The greenhouse was financed by IADK (Initiative for Agriculture Development of Kosovo). It was built with updated technological parameters and a wood heating system. The group visited two other smaller greenhouses. The group learned about the positive impact of planting “Kornishon” cucumber variety in the solar greenhouse for the processing industry. Moreover this farm, managed by a five member family, had ensured storage for 1,000 tons of potatoes.

Next, the group visited the home processing facility owned by Merita Selimi. IADK has provided assistance to the facility with machinery, equipment and training sessions to ensure the application of modern and safety required standards. The women group could see different kinds of processed fruits and vegetables. The owner answered every question related to the technology of processing the fruits and vegetables. A very interesting fact was that they collected fruits and vegetables mainly from IADK clients. The last visit of the day was at the Agro-Food Fair in the centre of Prishtina.

During the second day of the visit, the women group accompanied by the AAC program staff and the facilitator Indrit Loshi visited the “Tafa” processing facility in Kline e Eperme of Skenderaj Commune. The facility owned by Milaim Hamzaj was more modern and more sophisticated than the previous one. The women could see processed fruits and vegetables with a high technology and standard packaging. The firm had a very close cooperation with the women's association “Begatia”. Based on an MOU, the association members are allowed to do the processing of their own production in the facility with the only obligation to pay for the electricity power they use. The president of the women Association “Begatia”, Hyra Tahiri explained to the group how the cooperation with the processing business works. Cooperation with the company gives the women association members the opportunity to buy the packaging material with a wholesale price. The Shkodra women visitors appreciated the cooperation between the association and the business. They valued the support provided by the IADK as an opportunity to improve production, processing techniques, add value to their production and find new markets. The second day's field activities



The women of Shkodra region visiting a processing company in Kosovo.

ended with the visit at the IADK offices. The executive director of the Initiative for Agriculture Development of Kosovo, Mr. Zenel Bunjaku, made a brief presentation of the center's history and work; the sectors they are working with and what kind of assistance they provide to the farmers all over Kosovo. At the end of the meeting every participant received a manual for fruits and vegetables processing.

During the third day of the trip the group of women had the chance to visit other chains of the vegetable value chain; a collection point in Mamush village owned by Mr. Nehat Taci and at a processing facility supported by USAID and owned by Bashkim Bytyci.

Lessons learned (Conclusions) from the trip to Kosova:

- Knowhow on vegetable and food processing in home conditions.
- Working in a group provides opportunities to add value to the production at a lower cost.
- There always exist possibilities to support business initiatives for further growth and development.
- The women's group learned unification of the variety structures is a need in order to increase opportunities to sell as a group and meet the demands for quantity and quality.

Development Credit Authority (DCA) Program training for the AAC's staff

Rationale: Lack of access to financial resources is a major constraint to the growth of Albanian SME's. Enterprises need credit for technical innovation, purchase of production inputs, improvement and expansion of processing & storage facilities, and marketing promotion. Recognizing this, the USAID has implemented a Development Credit Authority program in Albania to provide loan guarantees of USD 7.5 million each to the Pro Credit Bank and the BKT bank for agricultural investment.

During the fiscal year, the AAC program continued to deliver information about the financing and different financial tools available to agricultural sector through the series of informational sessions with the local financial institutions (banks, credit unions, etc.). These activities have facilitated access to credit through the presentation of a variety of options available in the local financial market, facilitation of contacts with financial institutions and assistance in the application procedures. Financial institution personnel were invited to participate in the AAC program training events to strengthen field officers capacity/competency in analyzing agribusiness production, marketing constraints and need for credit. Farm management training activities stressed the importance of good financial record keeping, crop budgeting, and profit-loss statements that contribute to farmers gaining access to credit availability.

The activity: A training session during September 5-6 was provided to 7 specialists of the AAC program (Tirana and regional offices) regarding fundamentals of Credit, Banking, Financial statements and overall preparation of a loan proposal.

The following recommendations were given by the trainer Mr. Enio Janco, DCA consultant at the end of his STTA mission:

- Socialization/Marketing events with AAC program's clients. While banks will have their own Marketing campaigns, it is important that AAC program's clients become very familiar with the banks' new product and take advantage of these lending opportunities.
- Loan referrals from the AAC program; the program's clients are a strong potential segment because they have received substantial agricultural technical assistance. The AAC program will refer clients in need of credit and will organize Socialization Events to facilitate banker's presentations.

- The activities should be chaired by the program's Regional Specialists in Fier/Lushnje, Shkoder, Sarandë and Korça. The AAC program should simply play the facilitator role and allow bank's representatives to present their products. Bankers should be prepared to give customers an opportunity to fill loan applications on the spot at the end of the event.

Albanian Businesses Assisted towards KOSHER Certification

During the 2012 Summer Fancy Food Show in Washington, D.C., the Albanian "Taste of Albania" stand, among many other visitors, was visited by Rabi Rabbi Yisroel Finman, Operations Manager of the BALKAN KOSHER certification body. Mr. Finman offered his cooperation and support for the Albanian Agri-Businesses interested on KOSHER Certification, as a special attraction for the Jewish community living in the US and other countries. According to Mr. Finman, only in the US there are 10 million customers who buy KOSHER Certified Foods Products.

Since some of the Albanian businesses had shown their interest towards the KOSHER Certification, during August 13 – 14, 2012 Mr. Finman paid a visit in Tirana, while the AAC program staff facilitated visits and meetings with three interested businesses, as follows

1. Xherdo's Herbs Ltd – Medicinal and Aromatic Plant Products in Maminas/Durrës – Met with Mr. Xhevit Hysenaj;
2. Sejega Ltd – Food Processing in Arbanë/Tirana – Met with Mr. Genci Mita;
3. Dhërmiu Olive Oil Ltd. In Tirana – Met with Orhani brothers.

At the end of his visit and necessary site inspections, Mr. Finman concluded that Xherdo's Herbs Ltd meets all the required standards for KOSHER Certification and Mr. Hysenaj agreed to pay the requested fee. Two weeks later, the certification process was successfully completed and Mr. Finman sent the original KOSHER CERTIFICATE to Mr. Hysenaj, who used it during the Bio-Fach Baltimore-USA fair September 2012.

According to Mr. Finman, for Dhërmiu Olive Oil Ltd the process seems to be as easy as for Mr. Hysenaj. Both parties agreed that this Olive Oil Mill will be certified during the processing season. The certification of Sejega Ltd seemed to be more complicated; the partners are cooperating in finalizing the process.



News – USG Dignitaries Visit hosted by the AAC program



During the visit to Mystehak Goga's greenhouse in Goriçan.

The activity: The AAC program hosted the visit of Ambassador Philip Reeker, Deputy Assistant Secretary of State for European and Eurasian Affairs, Mr. Henry Jardine, Deputy Chief of Mission for the US Embassy in Tirana, and Dr. Jim Barnhart, new USAID Albania Mission Director, to the Goriçan collection facility of Mr. Mystehak Goga.

On September 7th the above mentioned group of dignitaries visited the Goriçan fresh produce collection facility of Mr. Goga, facilitated by a USD 20,000 grant and technical assistance for the design and operation of the facility. During the visit the group also visited the tomato

greenhouse production area of Mr. Goga and met with several returning immigrants from Greece who are investing in greenhouse production in the area.

Annexes

The AAC program is pleased to announce that 20 of 21 performance indicators have been reached or exceeded up to date (The 2.4 indicator has a -5% value of difference between the accumulated figure throughout the FY2012 and the LOP target).

All commodities had an increased production in kilograms compared to the baseline. A slight shifting of commodity planting has been observed, for example some of the watermelons and cucumber growers have produced in FY 2012 tomatoes.

There was an impressive increase of watermelon domestic sales (204% compared to the baseline year), apples domestic sales of +155% and an increase of tomatoes sales: both domestic and exports due to the total increase of production in kg and an increase of the cultivation surface with 23%.

The change in non-farm jobs is 190 additional employees of the AAC program consolidators and processors clients; 138 women (29 permanent/109 seasonal employees) and 52 seasonal men. There were 380 rural households whose income increased due to increased sales and yield of their commodities.

Outcome Indicators Table FY 2012

Indicator		Target 2012	Actual 2012	Performance
I.1 Percentage change on production of targeted agricultural products	Tomato	+20%	42%	Average +22,8%
	Cucumber		2%	
	Pepper		13%	
	Watermelon		25%	
	Apple		32%	
I.2 Percentage change in domestic sales of targeted agricultural products	Tomato	+35%	97%	Average +84.4%
	Cucumber		-15%	
	Pepper		-19%	
	Watermelon		204%	
	Apple		155%	
I.3 Percentage change in export sales of targeted agricultural products	Tomato	+25%	660%	Average +155.4%
	Cucumber		209%	
	Pepper		-73%	
	Watermelon		-19%	
	Apple		n/a	
I.4 Number of rural households whose income have increased		1100	1282 (902 +380)	+182
I.5 Change in non-farm jobs		200	348 (158+190)	+148
I.6 Annual per household income from sales of targeted products		+34%	+49%	+15%
I.7 Yields of targeted products per hectare	Tomato	+18%	18%	Average +21.8%
	Cucumber		26%	
	Pepper		24%	
	Watermelon		23%	
	Apple		18%	
I.8 Production cost per unit of output	Tomato	-10%	-34%	Average -23.4%
	Cucumber		-36%	
	Pepper		-20%	
	Watermelon		-14%	
	Apple		-13%	

Element Level Performance Output Indicators Table FY2012

Indicator		Q ₁ FY2012	Q ₂ FY2012	Q ₃ FY2012	Q ₄ FY2012	Total number FY2012/ women*	Target ** FY2012
2. Agricultural Enabling Environment Element Indicators							
2.1	Number of public and private institutions undertaking capacity/competency strengthening	9	7	15	6	37	15
2.2	Number of individuals who have received short-term agricultural enabling environment training	118/21	278/7	315/47	34/34	745/109	50
2.3	Number of policy reforms implemented	1	0	0	0	1	1
2.4	Number of producers/processors who have received credit	17/0	20/0	9/0	55/4	101/4	50
2.6	Number of producers and traders trained in the use of market information for strategic planning, farm management and business decision making	18/0	203/25	22/8	32/21	275/54	250
3. Agricultural Sector Productivity Element Indicators							
3.1	Number of additional hectares under improved technologies or management practices	144	42	40	80.83	306.83	192
3.2	Number of producer organizations, trade and business associations assisted	33	21	14	15	83	40
3.3	Number of individuals who have received short-term agricultural productivity training	571/54	446/10	305/14	642/66	1964/144	360
3.4	Number of agriculture-related firms benefitting directly from AAC assistance	62	25	26	15	128	40
3.5	Number of new markets identified (geographical areas, new products and new buyers)	33	0	25	1	59	75
3.6	Number of transactions completed (contracts signed and/or repeated sales)	552	72	259	339	1222	900
3.7	Numbers of farmers/firms who have access to new environmental sound technologies that enhance productivity, production, quality	136/3	267/0	201/6	574/52	1178/61	200
3.8	Number of additional functioning post-harvest handling facilities in country	4	0	1	1	6	4

Note: * If applied, the first number of the fraction represents the total absolute value for the fiscal year, while the second number of the fraction is the number of women.

** Targets' column has values from the last approved version of the PMP represented in absolute values for FY2012.

Element Level Performance Output Indicators FY2012 compared to LOP targets

Indicator		Cumulated Target LOP	Accumulated throughout FY2012	Difference (In %)
2. Agricultural Enabling Environment Element Indicators				
2.1	Number of public and private institutions undertaking capacity/competency strengthening	80	98	+23%
2.2	Number of individuals who have received short-term agricultural enabling environment training	1300	1977	+52%
2.3	Number of policy reforms implemented	5	5	0%
2.4	Number of producers/processors who have received credit	400	381	-5%
2.6	Number of producers and traders trained in the use of market information for strategic planning, farm management and business decision making	800	916	+15%

3. Agricultural Sector Productivity Element Indicators				
3.1	Number of additional hectares under improved technologies or management practices	1100	1173.5	+7%
3.2	Number of producer organizations, trade and business associations assisted	140	197	+41%
3.3	Number of individuals who have received short-term agricultural productivity training	3500	4920	+41%
3.4	Number of agriculture-related firms benefitting directly from AAC assistance	330	415	+26%
3.5	Number of new markets identified (geographical areas, new products and new buyers)	300	306	+2%
3.6	Number of transactions completed (contracts signed and/or repeated sales)	7500	7725	+3%
3.7	Numbers of farmers/firms who have access to new environmental sound technologies that enhance productivity, production, quality	1200	2208	+84%
3.8	Number of additional functioning post-harvest handling facilities in country	23	25	+9%